



Wisconsin Office of the
COMMISSIONER
OF INSURANCE

Wisconsin Healthcare Stability Plan

Annual Public Forum

July 14, 2021

Annual Forum

- Federal regulations require the state to annually afford the public an opportunity to provide meaningful comment on the progress of the 1332 waiver/Wisconsin Healthcare Stability Plan
- Intent of this webinar is to meet that requirement with an update on the program and provide an opportunity for members of the public to ask questions



WIHSP: What is it?

- Wisconsin Healthcare Stability Plan (WIHSP) is a state operated reinsurance program approved by the federal government through an Affordable Care Act Section 1332 Waiver
- WIHSP reimburses a portion of individual market insurer paid claims falling between established payment parameters
 - Payment parameters are set by May 15th the year prior to the applicable plan year (PY)
- WIHSP is currently limited to \$200 million (*state & federal funds*)
 - 2021-23 State Budget increased total funding to \$230 million beginning in 2022
- WIHSP is approved for operation from January 1, 2019 through December 31, 2023
 - On June 1st, OCI submitted a letter of intent to HHS and the Department of Treasury related to extending the program an additional 5 years.



WIHSP: Individual Market Impact

The table below includes rate increases the market would have incurred without WIHSP, alongside the corresponding rate decreases experienced with the program in place.

Rate changes are calculated using a weighted average across individual market insurers and reflect the change in rates from the prior year.

Year	Average Rate Change w/out WIHSP	Average Rate Change with WIHSP
2019	6.8%	-4.2%
2020	9%	-3.2%
2021	10%	-3.4%



WIHSP: Program Details PY 2020

- Payment Parameters
 - Attachment point: \$40,000
 - Co-insurance: 50%
 - Reinsurance cap: \$175,000
- 2020 WIHSP claims filed by insurers totaled: \$183,483,625.85
- \$141,955,242 million in federal funds is available to pay WIHSP claims; state general purpose revenue will fund the remaining \$40,744,926.51



WIHSP: Program Details PY 2020

- PY 2020 payments will be made to insurers following an initial audit of the filings, but no later than August 15, 2021
- Phase I Audit (initial audit):
 - OCI identifies a sample number of enrollees and requires insurers to submit individual claim amounts that roll up to the enrollee's claim total.
 - Example: Insurer files \$100,000 in claims for enrollee A. OCI asks the insurer for a list of all claims that equal \$100,000
- Phase II Audit:
 - OCI identifies two claims for two enrollees, per insurer, submitted during the Phase I Audit, and requires insurers to submit invoices to verify payment. *[Four claims under review for each insurer]*
 - This phase is completed following WIHSP payment to insurers, however, OCI may reconcile any payments should audit findings indicate an overpayment was made.



WHISP: Program Details PY 2021

- Payment Parameters
 - Attachment point: \$40,000
 - Co-insurance: 48%
 - Reinsurance cap: \$175,000
- Insurers submit quarterly claims reports to OCI
 - Total aggregate WHISP claims reported for Q1 2021: \$16,391,781.56
 - Q1 2020: \$18,903,769
 - Q2 reports are due August 14, 2021
- OCI was notified in April that the 2021 federal pass through amount is \$165,766,826.
 - The federal government may adjust that figure further to account for the American Rescue Plan, which expanded premium tax credit eligibility in 2021 and 2022.



WHISP: Program Details PY 2022

- 2022 payment parameters established and revised
- Originally set on May 13, 2021
 - Attachment point: \$40,000
 - Co-insurance: 43.75%
 - Reinsurance cap: \$175,000
- July 12, 2021, payment parameters were revised to reflect state budget changes (*\$230 million program and directive to OCI to increase the co-insurance rate to 50%*)
 - Attachment point: \$40,000
 - Co-insurance: 50%
 - Reinsurance cap: \$175,000



Emergency Rule to Permanent Rule

- Since the start of WIHSP, an emergency rule has been in place to govern the details of the program.
- In 2021, non-substantive operational changes were made to the emergency rule and a proposed permanent rule is under consideration by the Legislature.



OCI Website/Outreach

WIHSP information is available on the OCI website:

<https://oci.wi.gov/Pages/Consumers/HealthcareStabilityPlan.aspx>

Send comments or questions to:

Ociwihsp@Wisconsin.gov

